

MORTGAGE LOAN ADVERTISING SUBMITTAL

RE 884 (Rev. 2/98)

*Read information on pages 2-4
before completing this form.*

PART A — TO BE COMPLETED BY THE REAL ESTATE BROKER.		DRE USE ONLY
1. ENTER RETURN ADDRESS (for use after DRE review)		
<div style="border: 1px solid black; height: 100px; width: 100%;"></div>		
2. NAME OF REAL ESTATE BROKER/CORPORATION (Print as shown on license certificate.)		BROKER/CORP. LICENSE NUMBER
3. ADDRESS OF REAL ESTATE BROKER (Street Address, City, State and Zip Code)		
4. NUMBER OF PAGES	5. TYPE OF MEDIA (TV, radio, flyer, brochure, newspaper classified, etc.)	
6. ADVERTISING IS ORIENTED TO PROSPECTIVE:		
<input type="checkbox"/> BORROWER <input type="checkbox"/> LENDER/INVESTOR <input type="checkbox"/> PURCHASER (resales of existing trust deeds/notes)		
7. TYPE OF SUBMISSION:		PREVIOUS MLB ADV # (for re-submissions only)
<input type="checkbox"/> INITIAL SUBMISSION <input type="checkbox"/> RESUBMISSION (previous advertising disapproved) <input type="checkbox"/> RESUBMISSION (change of previously approved advertising)		
8. COMMENTS:		

10. SIGNATURE OF REAL ESTATE BROKER/DESIGNATED BROKER-OFFICER	11. DATE	12. BUSINESS TELEPHONE NO.
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PART B — DRE USE ONLY

The proposed advertising, a copy of which is attached, has been reviewed and:

- ☐ **APPROVED** — Please read "Resubmittal Information".
- ☐ **APPROVED** — Subject to making changes shown on advertising. Please read "Resubmittal Information".
- ☐ **DISAPPROVED** — See attachment(s) for reason(s). Please read "Resubmittal Information".
- ☐ **DISAPPROVED** — Submission was made without the \$40 fee. See Regulation 2847.

Resubmittal Information

The attached advertising material must be resubmitted for approval prior to use if it has been *disapproved* for use, or if any *changes* are made to *approved advertising*, with the exception that interest rate(s) can be moved up or down by no more than 3% without resubmission of an advertisement.

When resubmitting or when contacting this office relative to the attached advertising, refer to the MLB ADV File Number.

MLB ADVERTISING REVIEW DESK — REVIEWED BY	MLB ADV FILE NUMBER
REVIEWER'S SIGNATURE	DATE OF REVIEW
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General Information

- Before submitting the proposed advertising, carefully study the laws and regulations relating to mortgage loan advertising with special attention given to Regulation 2848, Title 10, California Administrative Code. *[These laws and regulations are included in this form for your reference.]*
- A declaration under penalty of perjury, by the responsible real estate broker may be required to substantiate information that otherwise may be considered false, misleading and deceptive in accordance with Regulation 2848. If you believe a previously submitted declaration will cover the issue, please refer to the prior MLB ADV File Number, and/or attach a photocopy of the previously submitted declaration. If the prior declaration is more than one year old, a new one must be submitted.
- It is the practice of DRE to send a response indicating either approval or disapproval of advertising in every instance. If you have not received a response within 24 calendar days after actual delivery — you should contact the MLB Advertising Desk to determine the status of your submittal. Approval of proposed advertising will not be given by telephone unless written approval of the same advertisement has been mailed, but not received. Advertising will be processed in order of receipt.
- Proposed advertising copy should be submitted to the Sacramento office of the Department in triplicate with an original and a copy of the of the transmittal form (RE 884). Insofar as practicable written advertising shall be submitted in the context and format in which it is proposed to be displayed to prospective customers. The script for a proposed radio or television advertisement shall be submitted.

Special Instructions

Item #1 — Enter the name and address to whom this form will be returned after Department of Real Estate (DRE) review.

Item #4 — Enter the number of pages in the proposed advertising. If the advertising is folded, like a brochure, count the number of pages, not the sheets of paper used to make the brochure.

Item #8 — Use this space to list the file number of similar or related advertising previously submitted; reference to declarations, etc.

What to Submit

- \$40 fee, payable to the Department of Real Estate
- Submit all advertising copy in triplicate.
- Submit the original and one photocopy of this form (RE 884) with each separate proposed advertisement.
- **Mail To:**
Department of Real Estate
MLB Advertising
P.O. Box 187000
Sacramento CA 95818-7000
- **Or Deliver in Person To:**
Department of Real Estate
2201 Broadway
Sacramento, CA

Note:

Advertising not submitted in accordance with these instructions will be disapproved without review.

PERTINENT LAW SECTIONS & REGULATIONS
Detach and retain for your use.

B&P §10235

No real estate licensee shall knowingly advertise, print, display, publish, distribute, telecast or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, televised or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for making, purchasing or negotiating loans or real property sales contracts which is false, misleading or deceptive.

Indicating or otherwise implying any specific yield or return on any note other than the interest rate specified in said note shall be prima facie evidence that such advertisement is misleading or deceptive unless the advertisement sets forth the actual interest rate specified in the note and the discount from the outstanding principal balance at which it is being offered for sale.

B&P §10232.1

- (a) A real estate broker, prior to the use of any proposed advertisement in connection with the conduct of activities described in subdivisions (d) and (e) of Section 10131 and Section 10131.1, may submit a true copy thereof to the Department of Real Estate for approval. The submission shall be accompanied by a fee of not more than forty dollars (\$40). The commissioner shall by regulation prescribe the amount of the fee. If disapproval of the proposed advertisement is not communicated by the department to the broker within 15 calendar days after receipt of the copy of the proposed advertisement by the department, the proposed advertisement shall be deemed approved, but the department shall not be estopped from disapproving a later publication or other use of the same, or similar advertising.

The commissioner shall adopt regulations pertaining to the submittal and clearance of such advertising and establishing criteria for approval to insure that the public will be protected against false or misleading representations.

Except as provided in subdivision (b), “advertisement” includes dissemination in any newspaper, circular, form letter, brochure or similar publication, display, sign, radio broadcast or telecast, which concerns (1) the use, terms, rates, conditions, or the amount of any loan or sale referred to in subdivisions (d) and (e) of Section 10131 or Section 10131.1 or (2) the security, solvency, or stability of any person carrying on the activities described in those sections.

- (b) “Advertisement” does not include a letter or brochure which is:
- (1) Restricted in distribution to other real estate brokers and to persons for whom the broker has previously acted as agent in arranging a loan secured by real property or in the purchase, sale, or exchange of a deed of trust or real property sales contract; and
 - (2) Restricted in content to the identification and a description of the terms of loans, mortgages, deeds of trust, and real property sales contracts offered for funding or purchase through the broker as agent.
- (c) Subdivision (a) is not applicable to advertising that is used exclusively in connection with an offering authorized by permit issued pursuant to the provisions of Article 6 (commencing with Section 10237) or applicable provisions of the Corporate

Securities Law of 1968 (Section 25000 and following of the Corporations Code).

- (d) All advertising approvals shall be for a period of five years after the date of approval. The approval period applies to all advertising, including that which was previously submitted on a mandatory basis.

Reg. 2847. Voluntary Submission of Proposed Advertising

- (a) A real estate broker may submit for departmental approval advertising proposed to be used in connection with the performance of acts for which a real estate license is required pursuant to Section 10131.1 or subdivision (d) or (e) of Section 10131 of the Code.
- (b) Proposed advertising copy shall be submitted to the Sacramento office of the Department. Written or graphic advertising shall be submitted in the format in which it will be displayed to the public. A written script shall be submitted for radio or television advertisements. A submission of advertisement to the Department shall be accompanied by the maximum fee set forth in Section 10232.1 of the Code.

Reg. 2848. Advertising Criteria

In administering Sections 10232.1, 10235, and 10237.7 of the Code, the commissioner shall take such action as is appropriate to prevent or halt the publication of advertising that is false, misleading or deceptive in itself or through the omission of information necessary to make a representation not misleading in the context in which it is used. To this end, the commissioner may disapprove or require verification of representations in advertising submitted pursuant to Section 10232.1 or 10237.7 of the Code, or Section 2847 of these regulations.

In addition to the actual text, consideration shall be given to such factors as format, pictorial display and emphasis in determining whether an advertisement is likely to create a false impression.

By way of illustration and not of limitation, advertising containing any of the following is considered to be false, misleading or deceptive and will not ordinarily be approved for publication by the commissioner:

- (1) The use of “guaranteed”, “insured”, “bonded”, “sure”, “safe”, “sound” or other words or phrases of similar import to describe or characterize the security of lenders’ or purchasers’ funds, or the return to lenders or purchasers from the use of their funds, without an accompanying statement of fact supporting the use of the words or phrases implying high security. A representation to the effect that no losses or minimal losses have been sustained by lenders or purchasers doing business with the licensee shall include the period of time to which the representation applies.
- (2) The use of terms in the comparative or superlative degree to describe any aspect of the business of the licensee, or any terms applicable to loans negotiated by the licensee, without such additional information as necessary to make the representation unambiguous in the context in which it is used.
- (3) A statement that the licensee represents any lender enumerated in Section 10133.1(a) of the Code unless the licensee has a contractual arrangement to act as agent or representative for

such lender.

- (4) An implication contrary to the fact that the licensee will act in the capacity of a lender rather than as an agent or that a borrower will be able to obtain a loan without deductions from the principal amount for the payment of commissions, costs and expenses customarily attendant upon mortgage loan broker transactions.
- (5) A representation of a specific installment in repayment of a loan without an equally prominent disclosure of the following information about the loan:
 - (a) Principal amount
 - (b) Simple annual interest rate
 - (c) Annual percentage rate
 - (d) Number, amount and period of payments scheduled to the date of maturity
 - (e) Balance due at maturity (balloon payment) if not fully amortized.
- (6) A representation of a specific installment payment, interest rate, annual percentage rate or other provision concerning a loan unless it is clearly indicated whether the advertised terms are available for first loans, junior loans or for both first and junior loans.
- (7) A representation or implication that loans are available on terms more favorable to the borrower than terms then generally available in the community through mortgage loan brokers or other sources for loan funds unless the advertised terms are in fact then available to a borrower without the application of undisclosed, special conditions or restrictions to qualify the borrower or the security for the loan.
- (8) A representation or implication that loans are available on terms more favorable to the borrower than terms then generally available in the community through mortgage loan brokers or other sources for loan funds unless the broker has previously presented evidence satisfactory to the commissioner that the advertising is not illusory or deceptive in the light of all relevant factors of the brokers' business practices including the amount of loan funds prospectively available to meet borrower demands in response to the advertising.
- (9) A representation that loans are available at or to a maximum percentage of market value unless there is a disclosure as to how market value will be determined for purposes of a loan transaction.
- (10) A representation or implication that the credit rating or other personal financial data of the prospective borrower will not be a factor in determining eligibility for a loan unless the broker in fact neither conducts nor causes to be conducted any investigation or inquiry into any aspect of any prospective borrower's credit rating or into his personal financial circumstances for the purpose of determining his qualifications for a loan.
- (11) A representation or implication that a loan can or will be approved by telephone.
- (12) A representation implying that the Department or any other governmental agency has endorsed or approved any aspect of the licensee's business activities. A statement that the offering referred to in the advertisement is being made under authority of a permit issued by the Department or by the Department of Corporations without more, will not be considered to be a

representation implying endorsement or approval by a governmental entity.

- (13) A representation or implication contrary to fact as to the number and location of offices maintained by the licensee for the conduct of his mortgage loan brokerage business.
- (14) Use of "investment plan", "growth plan", or similar term to describe a program of a licensee carrying on activities described in Section 10131 or Section 10237 of the Code unless a permit has been issued to the licensee for the program.
- (15) The use of "savings", "savings plan" or terms of similar import indicating that the licensee is engaged in business activities requiring a particular license, permit or authority unless the licensee then has such a license, permit or authority.
- (16) A representation of a simple annual interest rate without an equally prominent disclosure of the annual percentage rate.

B&P §10235.5

No real estate licensee shall place an advertisement disseminated primarily in this state for a loan unless there is disclosed within the printed text of that advertisement, or the oral text in the case of a radio or television advertisement, the license under which the loan would be made or arranged.

B&P §10236.4

- (a) In compliance with Section 10235.5, every licensed real estate broker shall also display his or her license number on all advertisements where there is a solicitation for borrowers or potential investors. In addition, the broker shall disclose in any such advertisement the license information telephone number established by the department.
- (b) The real estate broker shall additionally disclose both the license number and license information telephone number whenever a borrower or investor signs any documents related to a loan negotiated by the broker.
- (c) **This section shall become operative July 1, 1998.**

Note: A special license information telephone number will be available from the department by May, 1998. Call the Mortgage Lending Unit at 916-227-0770 if you need the number to place in your ad.

Reg. 2847.3

- (a) Use of either of the following statements shall satisfy the requirements of Sections 10235.5 and 17539.4 of the Code:
 - (1) Real estate broker, California Department of Real Estate.
 - (2) California Department of Real Estate, real estate broker.

The words "California:" and "Department" may be abbreviated only as "CA" or "CAL" or "Calif" and "Dept." A dash (-) may be used in lieu of the comma appearing in the statements as set forth above in paragraphs (1) and (2).
- (b) The type size of the statement shall be no less than the smallest size type used in the advertisement copy.
- (c) Use of either statement as set forth in subdivision (a) will also satisfy the designation requirements of Section 10140.6 of the Code.